

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2011-91-C

In the Matter of the Application of  
Midwestern Telecommunications,  
Incorporated, d/b/a M.T.I. for Additional  
Designation as a Wireless Eligible  
Telecommunications Carrier Pursuant to  
47 U.S.C. § 214(e)

REBUTTAL TESTIMONY OF  
IKECHUKU CHINWAH

1 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

2 A. My name is Ikechuku Chinwah. I am Co-CEO and President of Midwestern  
3 Telecommunications, Inc. ("The Company" or "M.T.I."). My business address is 15426  
4 S. 70<sup>th</sup> Ct., Orland Park, IL. 60462

5  
6 Q. PLEASE BRIEFLY DESCRIBE YOUR BACKGROUND AND  
7 QUALIFICATIONS.

8 A. Prior to forming M.T.I. I worked as a consultant to Citgo's Lemont Refinery, specializing  
9 in training on network computing systems and telecommunications systems. As Co-CEO  
10 of M.T.I., I have been involved in every facet of the Company's growth.

11  
12 Q. PLEASE DESCRIBE YOUR CURRENT POSITION AND ITS  
13 RESPONSIBILITIES.

14 A. I am Co-CEO and President of M.T.I. My responsibilities include managing the daily  
15 operations of M.T.I. I also oversee the Eligible Telecommunications Carrier ("ETC")  
16 designation process in new states.

17  
18 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

1 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony of the  
2 Office of Regulatory Staff and discuss MTI's qualifications to receive additional  
3 designation by this Commission as a wireless ETC for the purposes of receiving federal  
4 universal service "Lifeline and Link-up" support, and why such designation will serve  
5 consumers and the public interest generally. I would like to incorporate by reference into  
6 this Testimony MTI's application and Direct Testimony filed in this Docket.

7  
8 **Q. HOW MUST MTI OFFER THOSE SERVICES SUPPORTED BY THE FEDERAL**  
9 **USF IN ORDER TO QUALIFY AS AN ETC FOR PURPOSES OF LIFELINE**  
10 **AND LINK-UP?**

11 A. Section 214(e)(1)(A) of the Federal Telecommunications Act (the "Act") requires that  
12 MTI:

13 Offer the services that are supported by Federal universal support mechanisms under  
14 Section 254(c), *either using its own facilities or a combination of its own facilities*  
15 *and resale of another carrier's services . . .*"

16  
17 (Emphasis added).

18  
19 This requirement is repeated in 47 U.S.C. C.F.R. § 54.201, and in Commission  
20 Regulation 103-690 C.(a)(1)(C)(6). As described in the Application, my Direct  
21 Testimony, and in MTI's responses to the ORS Audit Information Requests (attached as  
22 **Exhibit One**), MTI meets those requirements in this Docket by providing certain services  
23 using its own facilities and by reselling certain other services of an underlying carrier  
24 (Sprint). MTI also satisfied those same requirements in Docket No. 2007-32-C when this  
25 Commission previously designated MTI as a wireline ETC. I will leave the legal  
26 arguments about what these legal provisions mean to my attorney.

27

1     **Q.     PLEASE DISCUSS HOW MTI WILL PROVIDE SERVICE TO LIFELINE**  
2     **CUSTOMERS IN SOUTH CAROLINA.**

3     A.     As stated in its Application in my Direct Testimony, and in response to the ORS data  
4     requests, MTI will provide its services using a combination of its own facilities and the  
5     resale of another carrier's services. Therefore, MTI is a "facilities-based" wireless ETC  
6     as opposed to a "pure reseller" of wireless services. MTI uses a switch located in  
7     California to provision directory assistance service, one of the required supported  
8     services. Every MTI customer, including every MTI South Carolina wireless customer  
9     who dials 411, will have that call routed through our switch in California, thereby  
10    "touching" MTI's facilities. Therefore, each South Carolina customer using 411 service  
11    provided by MTI will "be benefitted by these facilities located in California."

12  
13   **Q.     DOES MTI PROVIDE LIFELINE AND LINKUP SERVICES AS A WIRELESS**  
14   **ETC BY MEANS OF BOTH RESALE AND USE OF ITS OWN FACILITIES IN**  
15   **ANY OTHER JURISDICTION?**

16   A.     Yes. MTI is providing more than 100,000 customers with Lifeline and Linkup services  
17   as a wireless ETC in five (5) states: Arkansas, Illinois, Nevada, West Virginia, and  
18   Wisconsin. In each of these jurisdictions, MTI operates as a "facilities-based" ETC. The  
19   Universal Service Administrative Company ("USAC") recognizes MTI's status as a  
20   facilities-based ETC, as does each jurisdiction where MTI operates as a wireless ETC.

21  
22   **Q.     ORS ALSO DISCUSSES THE FORBEARANCE THAT MTI RECEIVED FROM**  
23   **THE FCC. IS THE ORS CORRECT THAT THE FORBEARANCE PREVENTS**

1           **MTI FROM OBTAINING LINK-UP SUPPORT IN SOUTH CAROLINA OR**  
2           **ELSEWHERE?**

3    A.    No. MTI obtained forbearance from the FCC with respect to the requirement that an  
4           ETC provide services in part over its own facilities in order to offer discounts to  
5           customers through the Lifeline program. In other words, MTI obtained authority from  
6           the FCC to participate in the Lifeline program as a pure reseller of wireless services if it  
7           so chose to provision services that way. Accordingly, if MTI operated as a wireless  
8           reseller, the Forbearance Order would dictate those ETC requirements applicable to it.  
9           However, as set out in its Application, my Direct Testimony, and in its Responses to the  
10          ORS Audit Information Requests, MTI is not operating as a wireless reseller in any  
11          jurisdiction, and as a result is not subject to the conditions of the Forbearance Order  
12          because it is not operating as a pure wireless reseller. USAC understands and  
13          acknowledges this, as evidenced by the fact that MTI legitimately participates in the  
14          Link-Up program in each jurisdiction where it has obtained wireless ETC designation.

16   **Q.    IS MTI ATTEMPTING TO “CIRCUMVENT THE FCC FORBEARANCE**  
17   **RULING”?**

18   A.    No, because MTI is not a wireless reseller operating under the FCC forbearance ruling.  
19          MTI explained in response to Audit Information Request 1.26 that the conditions set out  
20          in the Forbearance Order are not applicable to its wireless ETC application and  
21          operations in South Carolina and elsewhere.

1     **Q.     HOW DO YOU ADDRESS THE ORS' CONCERNS THAT MTI HAS NOT**  
2           **PROVIDED SUFFICIENT EVIDENCE REGARDING ITS FACILITIES OR ITS**  
3           **ARRANGEMENT WITH ITS UNDERLYING CARRIER?**

4     A.     MTI is endeavoring to obtain more information for the ORS about the specifics of its  
5           provisioning arrangements, including a more specific call diagram and information  
6           regarding the arrangement through which Sprint provides underlying wireless services.  
7           However, I reiterate that MTI is already serving customers in five states using its  
8           facilities in combination with the resale of Sprint wireless services. Additionally, MTI  
9           has provided a sworn affidavit from an officer of the Company stating that it would  
10          comply with the requirement in question, and MTI has reiterated this commitment in its  
11          Responses to the ORS Audit Information Requests, my Direct Testimony and in this  
12          Rebuttal Testimony.

13

14    **Q.     THE ORS ALSO CONSIDERS MTI'S COMPLIANCE WITH COMMISSION**  
15          **REGULATION 103-690 C.(a)(1)(C)(2) TO BE LACKING. WILL MTI AND ITS**  
16          **SERVICE REMAIN FUNCTIONAL IN EMERGENCY SITUATIONS?**

17    A.     Yes. My direct testimony and MTI's Response to Audit Information Request 1.19  
18          demonstrate our commitment and ability to remain functional in emergency situations.  
19          Also, in Docket No. 2007-32-C MTI's reliance on AT&T's ability as MTI's underlying  
20          carrier to remain functional in emergency situations was sufficient to satisfy this  
21          requirement.

22

23    **Q.     HAS MTI AGREED TO PROVIDE EACH SOUTH CAROLINA LIFELINE**  
24          **CUSTOMER WITH A \$13.50 DISCOUNT?**

1 A. Yes. Mr. Rozycki claims that “MTI states that South Carolina Lifeline customers will get  
2 a \$10 discount on their wireless Lifeline service from MTI . . . “ (ORS Direct Testimony  
3 p. 6, ll. 11-13). However, ORS Audit Information Request 1.53 to MTI asks:

4 **Does Midwestern agree to self-fund and provide a \$3.50 discount per month to**  
5 **each Lifeline customer’s bill in addition to the Federal \$10.00 discount?**  
6

7 **Response: Yes.**  
8

9 **Q. DOES MTI CHARGE ITS NON-LIFELINE CUSTOMERS AN ACTIVATION**  
10 **FEE?**

11 A. Yes. As set out in Response to Audit Information Request 1.10, MTI stated that “the  
12 customary activation charge for all customers is \$60.00.  
13

14 **Q. THE ORS MAKES REFERENCE TO REGARDING MTI’S *WIRELINE* ETC**  
15 **DOCKET BEFORE THIS COMMISSION AND CHARACTERIZED THE ETC**  
16 **DESIGNATION GRANTED BY THE COMMISSION AS AUTHORIZING MTI**  
17 **TO OPERATE AS A “FACILITIES-BASED ETC.” PLEASE DESCRIBE WHAT**  
18 **MTI DEMONSTRATED IN THAT DOCKET.**

19 A. The ORS correctly points out that in 2007 MTI was granted designation as an ETC by  
20 this Commission per Order No. 2007-763 in Docket No. 2007-32. In granting ETC  
21 designation to MTI, the Commission determined that MTI met the requirements of  
22 Section 214(e) (1)(A) of the Act described above—MTI would provide the supported  
23 services “either using its own facilities or a combination of its own facilities and resale of  
24 another carrier’s services.” In fact, MTI’s direct testimony in that Docket made clear that  
25 “M.T.I. will provide local exchange services through the Resale of services *and facilities*  
26 *obtained through a commercial facilities agreement (“CF A”) with AT&T.”* (Direct

1       Testimony of Ikechuku Chinwah, Docket 2007-32-C, p. 4, ll. 7-8) (Emphasis added).  
2       Notably, the ORS ultimately supported MTI’s application and MTI’s satisfaction of the  
3       requirements of Section 214(e)(1)(A) of the Act. In the specific context of Section 214(e)  
4       (1)(A) of the Act, MTI demonstrated that it would provision Lifeline service as a  
5       “facilities-based ETC.”  
6

7       **Q.     MR. ROZYCKI GOES ON TO SUGGEST THAT MTI’S WIRELINE ETC “IS**  
8       **NOT CURRENTLY OPERATING IN COMPLIANCE WITH ITS ETC**  
9       **DESIGNATION.” IS MTI CURRENTLY OPERATING IN COMPLIANCE**  
10       **WITH ITS ETC DESIGNATION?**

11       A.     Yes. Mr. Rozycki speculates (without any authority) that MTI’s small current customer  
12       base (6 customers as of year-end 2010) “does not support a business model in which a  
13       wireline carrier owns or leases facilities.” However, MTI’s Interconnection Agreement  
14       with AT&T South Carolina (approved by this Commission and publically available at  
15       <http://dms.psc.sc.gov/pdf/matters/2F5568A0-DED9-20FE-731B41B8D88FBE23.pdf>)  
16       allows MTI to lease facilities from AT&T South Carolina for one, six, ten, or 10,000  
17       customers. MTI is not a pure reseller, as demonstrated by its AT&T South Carolina  
18       Interconnection Agreement, as well as its actual provisioning of South Carolina  
19       customers.  
20

21       **Q.     MTI HAS NO FORMAL BUSINESS PLAN. THE ORS IS OF THE “OPINION**  
22       **THAT APPLICANTS WHO HAVE NOT TAKEN THE TIME TO DEVELOP A**  
23       **BUSINESS PLAN WILL NOT BE PREPARED TO LAUNCH AND OPERATE A**

1       **LIFELINE-CENTRIC BUSINESS IN SOUTH CAROLINA.” HOW DO YOU**  
2       **RESPOND TO THIS TESTIMONY?**

3     A:     I disagree strongly. First of all, this Commission has determined that MTI meets the  
4           requirements to be an ETC under the Act and the FCC’s Rules. Second, as MTI’s filings  
5           in this Docket and earlier Commission proceedings demonstrate, MTI has considerable  
6           experience as a provider of local exchange and interexchange services, a wireline ETC,  
7           and a wireless ETC. MTI has been providing local exchange services since 1997,  
8           wireline ETC services since 1999, and currently provides wireless ETC services to over  
9           100,000 customers in the jurisdictions described above. Furthermore, MTI is on pace to  
10          do over \$14,000,000 in revenue for 2011. In other words, MTI may not have written a  
11          *formal* business plan, but it certainly has implemented a *successful* business plan.

12  
13    **Q.     MR. ROZYCKI OPINES THAT “MTI OFFERS NO UNIQUE ADVANTAGES TO**  
14       **THE SOUTH CAROLINA LIFELINE CONSUMER.” IS HE CORRECT?**

15    A.     No. Mr. Rozycki has not taken into account many of the advantages of MTI’s Lifeline  
16           Offering that make it an attractive option to our more than 100,000 customers. Mr.  
17           Rozycki compares “free minutes,” without considering numerous facts that make our  
18           “free minutes” (and additional purchased minutes) more valuable than those of our  
19           competitors. Just by way of example, MTI’s unused free minutes roll over to the next  
20           month, and each text message sent using MTI’s service only counts as 1/3 of a minute.  
21           In addition, MTI’s additional minutes are priced at \$ .05/per minute, which is  
22           substantially lower than its competitors.



1    **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

2    **A:     Yes.**

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[illegible]

**VIA ELECTRONIC MAIL SERVICE**

s/ Carol Roof  
Carol Roof  
Paralegal

September 15, 2011  
Columbia, South Carolina

# ELLIS:LAWHORNE

John J. Pringle, Jr.  
Direct dial: 803/343-1270  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

April 18, 2011

## **VIA ELECTRONIC MAIL SERVICE & HAND-DELIVERY**

Mr. Christopher J. Rozycki  
Program Manager  
Telecommunications Department  
South Carolina Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

RE: Application of Midwestern Telecommunications, Incorporated, d/b/a  
M.T.I. for Additional Designation as a Wireless Eligible  
Telecommunications Carrier Pursuant to 47 U.S.C. § 214(e)  
**Docket No. 2011-91-C, ELS File #629-11754**

Dear Chris:

Enclosed herewith for service, please find Midwestern Telecommunications, Incorporated's Responses to the South Carolina Office of Regulatory Staff's First Audit Information Request.

With kind regards, I am

Yours truly,



John J. Pringle, Jr.

JJP/cr

Enclosures (as stated)

cc: The Honorable Jocelyn G. Boyd (cover letter only, via electronic mail service)  
C. Lessie Hammonds, Esquire (via electronic mail service)  
Mr. Jerry Holt (via electronic mail service)